

AMENDMENTS TO THE CLAIMS

1. (currently amended) A method for operating an electronic trading system for the exchange of financial instruments, the method comprising: improving the price of an item, said method being implemented in an electronic trading system, comprising: providing a trading stack;

receiving a dynamic price improvement order to trade said item at an improved price , in which the dynamic price improvement order is associated with a trade for a financial instrument traded on the electronic trading system, in which the dynamic price improvement order indicates that the electronic trading system should maintain a priority of the dynamic price improvement order by adjusting a first price associated with the dynamic price improvement order to a level that is at least as good as at least one second price associated with at least one second order, and in which the priority includes a priority used by the electronic trading system for determining matches with contra orders;

receiving the at least one second order;

determining a price improvement level to assign to the dynamic price improvement order so that the priority of the dynamic price improvement order is maintained, and in which the price improvement level corresponds to an amount of change to the first price; and

assigning one of a plurality of the price improvement level[[s]] to said order, the dynamic price improvement order, said assigned price improvement level defines said improved price of said order such that said order is placed in a predetermined position within said trading stack; and maintaining said position of said order in said stack until said order is matched or cancelled.

2. (currently amended) The method according to claim 1, ~~wherein said maintaining comprises adjusting the price improvement level of said order to maintain said predetermined position.~~ in which the at least one second order includes a plurality of second orders associated with a plurality of second prices.

3. (currently amended) The method according to claim 2, ~~wherein said adjusting comprises increasing the price improvement level.~~ 1, in which the change includes an increase in the first price.
4. (currently amended) The method according to claim 2, ~~wherein said adjusting comprises decreasing the price improvement level.~~ 1, in which the change includes a decrease in the first price.
5. (currently amended) The method according to claim 1, ~~wherein said predetermined position is the front of said trading stack.~~ in which the priority includes a position at a front of a trading stack.
6. (currently amended) The method according to claim 1, further comprising assigning a timestamp to ~~said order~~ the dynamic price improvement order.
7. (currently amended) The method according to claim 6, further comprising maintaining the priority ~~said position~~ based on said timestamp.
8. (original) The method according to claim 6, wherein in the event two or more said dynamic price improvement orders are received, the orders with older timestamps are matched prior to orders with newer timestamps.
9. (currently amended) The method according to claim 1, wherein ~~each one of~~ said price improvement level[[s]] represents a fraction of a predetermined pricing increment for which orders may be submitted to the electronic trading system. ~~the price of said item is improved upon.~~
10. (currently amended) The method according to claim 1, wherein ~~said maintaining comprises:~~ determining includes determining adjusting the price improvement level such

that it is one level higher than the next best order in ~~the~~ an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

11. (currently amended) The method according to claim 1, wherein ~~said predetermined position is the~~ priority includes a position of said ~~the dynamic price improvement order~~ relative to other orders in ~~said~~ an order stack.

12. (currently amended) The method according to claim 1, wherein said ~~assigning~~ determining comprises: determining the price improvement level of a best order in ~~said~~ an order stack; and assigning a price improvement level to said dynamic price improvement order that ~~exceeds~~ improves the price improvement level of said best order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

13. (original) The method according to claim 12, further comprising assigning said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

14. (currently amended) The method according to claim 1, wherein said dynamic price improvement order is the default ~~price improvement~~ order type for a predetermined number of traders that use a trading interface to submit orders to the electronic trading system.

15. (original) The method according to claim 1, wherein said dynamic price improvement order is one of several price improvement order types selected by a trader using said electronic trading system.

16. (currently amended) The method according to claim 1 further comprising: decreasing the price improvement level of ~~at least one price improved order submitted subsequent to a dynamic order~~ the at least one second order such that the price improvement level of the

~~at least one price improved~~ at least one second order does not exceed the price improvement level ~~of assigned to the dynamic price improvement order.~~

17. (currently amended) The method according to claim 16, wherein the price improvement level of the ~~at least one price improved~~ second order is decreased to a price improvement level one level below a maximum price improvement level when the ~~at least one price improved order is submitted having the assigned a~~ maximum price improvement level as its price improvement level.

18. (currently amended) A electronic trading system ~~for improving the price of an item for the exchange of financial instruments~~, said system comprising at least one server processor that is configured to:

~~provide a trading stack;~~
receive a dynamic price improvement order ~~to trade said item at an improved price~~, in which the dynamic price improvement order is associated with a trade for a financial instrument traded on the electronic trading system, in which the dynamic price improvement order indicates that the electronic trading system should maintain a priority of the dynamic price improvement order by adjusting a first price associated with the dynamic price improvement order to a level that is at least as good as at least one second price associated with at least one second order, and in which the priority includes a priority used by the electronic trading system for determining matches with contra orders;

receive the at least one second order;
determine a price improvement level to assign to the dynamic price improvement order so that the priority of the dynamic price improvement order is maintained, and in which the price improvement level corresponds to an amount of change to the first price;
and

assign one of a plurality of the price improvement level[[s]] to said order, the dynamic price improvement order, said assigned price improvement level defines said improved price of said order such that said order is placed in a predetermined position within said trading stack; and maintain said position of said order in said stack until said

~~order is matched or cancelled.~~

19. (currently amended) The system according to claim 18, ~~wherein said server is operative to adjust the price improvement level of said order to maintain said predetermined position.~~ in which the at least one second order includes a plurality of second orders associated with a plurality of second prices.

20. (currently amended) The system according to claim 18, ~~wherein said server is operative to increase the price improvement level.~~ 1, in which the change includes an increase in the first price.

21. (currently amended) The system according to claim 18, ~~wherein said server is operative to decrease the price improvement level.~~ in which the change includes a decrease in the first price.

22. (currently amended) The system according to claim 18, ~~wherein said predetermined position is the front of said trading stack.~~ in which the priority includes a position at a front of a trading stack.

23. (currently amended) The system according to claim 18, wherein said server is operative to assign a timestamp to ~~said order~~ the dynamic price improvement order.

24. (currently amended) The system according to claim 23, wherein said server is operative to maintain the priority ~~said position~~ based on said timestamp.

25. (currently amended) The system according to claim 18, wherein ~~each one of~~ said price improvement level[[s]] represents a fraction of a predetermined pricing increment for which orders may be submitted to the electronic trading system. ~~the price of said item is improved upon.~~

26. (currently amended) The system according to claim 18, wherein ~~said server is operative to adjust~~ determining includes determining the price improvement level such that it is one level higher than the next best order in ~~the~~ an order stack, wherein the price improvement level can be adjusted up to a maximum price improvement level.

27. (currently amended) The system according to claim 18, wherein ~~said predetermined position is the~~ priority includes a position of said the dynamic price improvement order relative to other orders in ~~said~~ an order stack.

28. (currently amended) The system according to claim 18, ~~wherein said server is operative to:~~ in which determining includes: determine[[e]]ing the price improvement level of a best order in ~~said~~ an order stack; and assign a price improvement level to said dynamic price improvement order that ~~exceeds~~ improves the price improvement level of said best order by one price improvement level when the price improvement level of said best order is not a maximum price improvement level.

29. (currently amended) The system according to claim 28, wherein ~~said server~~ processor is operative to assign said maximum price improvement level to said dynamic price improvement order when the price improvement level of said best order is at said maximum price improvement level.

30. (currently amended) The system according to claim 18, wherein said dynamic price improvement order is the default ~~price improvement~~ order type for a predetermined number of traders that use a trading interface to submit orders to the electronic trading system.

31. (currently amended) The system according to claim 18, wherein ~~said server~~ processor is operative to decrease the price improvement level of ~~at least one price improved order submitted subsequent to a dynamic order~~ the at least one second order such that the price

improvement level of the ~~at least one price improved~~ at least one second order does not exceed the price improvement level of ~~of~~ assigned to the dynamic price improvement order.

32. (currently amended) The system according to claim 31, wherein the price improvement level of the at least one ~~price improved~~ second order is decreased to a price improvement level one level below a maximum price improvement level when the at least one price improved order is ~~submitted having the~~ assigned a maximum price improvement level as its price improvement level.

33. (original) The system according to claim 18, wherein said dynamic price improvement order is one of several price improvement order types selected by a trader using a workstation that is connected to said electronic trading system.

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